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Alberta Heritage
Foundation for
Medical Research

THE SECOND

1981-82

The Second Annual Report 1981-82

Alberta Heritage Foundation for Medical Research

Alberta Heritage Foundation for Medical Research
1200 Oxford Tower, Edmonton Centre, 10235 - 101 Street
Edmonton, Alberta, Canada T5J 3G1 (403) 423-5727

To The Members of the Legislative Assembly of Alberta

It is with great pleasure that I submit the second Annual Report of the Alberta Heritage Foundation for Medical Research. I trust that this report will serve as a useful record of the Foundation's philosophy, objectives and its activities in the second year of operation.

In submitting this document, I would also like to express the Foundation's appreciation of the invaluable opportunity that it has been given to serve the people of Alberta — now and in the years to come.

Sincerely,

Eric A. Geddes
Chairman

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Introduction

The Alberta Heritage Foundation for Medical Research operates under the authority of the Alberta Heritage Foundation for Medical Research Act, RSA, 1980, Chapter A-26. The Foundation is supported by a 300 million dollar endowment fund which generates interest used for the achievement of the objectives of the Foundation. The Foundation's structure allows it to function at arms length from Government responding directly to the needs of medical research. The mechanism established in the Act for the management of the endowment permits buffering the impact of recession on Foundation funded programs.

In keeping with the terms of the Alberta Heritage Foundation for Medical Research Act, the Foundation has prepared a report summarizing its transactions and affairs of the fiscal year 1981/82, accompanied by an audited financial statement. This constitutes the Second Annual Report of the Foundation. It should be noted that the Triennial Report of the Foundation, for fiscal year 1982/83, will provide comprehensive statements of the activities of the Foundation in terms of its objectives including reports on projects undertaken and a summary of all projects approved and the funds expended.

Report of the Chairman

This second Annual Report of the Alberta Heritage Foundation for Medical Research includes summary information concerning the expenditures made by the Foundation in the year ended March 31, 1982, under the grants and awards programs of the Foundation, including those programs which provide for direct funding of the support costs associated with new medical research activity in Alberta. Total direct expenditures increased to $13.1 million, an increase of $8 million over the previous year. In addition to the direct expenditures, the Foundation had committed a further $7.9 million for payment after March 31, 1982. In the first six months of the current fiscal period, expenditures have increased to $9.4 million and for the full year are estimated to be $31 million.

The Act under which the Foundation operates provides for the transfer to the Foundation of the earnings from a $300 million Endowment Fund. In the year ended March 31, 1982 the investment earnings arising from the Endowment Fund amounted to $49.5 million, of which $15 million was transferred to the Foundation, an increase of $8.5 million from the previous year. In addition to the income transferred to the Foundation to March 31, 1982, an additional amount of approximately $67.6 million has now accumulated in the Endowment Fund in addition to the 300 million original amount, and such additional amount is available to the Foundation for its purposes. While investment earnings from the Endowment Fund for the current fiscal period ending March 31, 1983 cannot be predicted, it is expected that they will exceed the forecast expenditures of some $31 million, resulting in a further increase in the balance of unexpended income avaiable for future years. With the establishment of a fairly definitive program of grants and awards and based upon the expectation that further advice and guidance concerning the major funding programs will be provided during the current year by our Scientific Advisory Council and their advisory panels, we believe that we will have the ability by the end of the current year to prepare more precise financial forecasts of our expenditures. This ability will assist the Trustees in the task of determining the relationship between income available and, on the other hand, the increasing costs to both preserve the integrity of existing programs and provide additional support to fund programs such as the Career Medical Scientist Award.

On behalf of the Trustees, I would like to express our great appreciation to the Foundation's President, Dr. Lionel McLeod, who provided inspiration and leadership to the Foundation in his first year as President, particularly for his achievements in recuiting a Scientific Advisory Council made up of such internationally-respected scientists.

Dr. J. E. Bradley, who has played such an important role in the development of the Foundation from its original conception, will be retiring in the current year as Executive Director. The Trustees are grateful to Dr. Bradley that he has consented to make his services available on a consulting basis for the completion of certain important undertakings on behalf of the Foundation.

To the Trustees of the Foundation, I express my gratitude for their many contributions throughout the year in guiding the affairs of the Foundation.

Report of the President

During the 1981/82 year, the Alberta Heritage Foundation for Medical Research continued to pursue its major objective: the significant strengthening of Alberta's medical research capability. By collaborating closely with Alberta's medical research institutions, the universities and their principal affiliated teaching hospitals, the resources of the Foundation have been combined synergistically with those of other research granting agencies greatly extending the usefulness of all medical research funds.

Highlights of 1981/82 included the formal establishment of the Foundation's Scientific Advisory Council. The Foundation is truly indebted to this group of distinguished medical scientists hailing from Alberta, other provinces of Canada, the United Kingdom and the United States. Their enthusiasm and willingness to devote their valuable time and energy to the formulation of Foundation policies and the evaluation of its programs and procedures augurs well for the future quality and strength of medical research in Alberta. In part, their willingness to participate reflects the uniqueness of Alberta's opportunities in medical research and the choice of a foundation structure for the funding of research.

At its initial meeting, the Scientific Advisory Council offered support for the existing programs and procedures of the Foundation. It recommended objectives for the Heritage Career Medical Scientist Program and the mechanisms by which applications would be evaluated. As a means by which medical research in Alberta could be furthered expeditiously, the Council also recommended that a number of major thrusts in medical research be undertaken.

Collaborative mechanisms were discussed by which the Foundation and the universities might best identify major thrusts compatible with the strengths of current medical research within the province and opportunities afforded by new research frontiers.

The continuing growth of the Studentship and Fellowship Programs has provided evidence of the interest of young people in medical research education and training. Alberta's expanding research horizons have attracted the interest of many recently qualified medical scientists seeking both further training and new career opportunities. Additionally, a number of young people trained in Alberta have received support for further special training in centres outside the province. By these programs, Alberta is making an important contribution to the strength of future medical research.

The Scholarship Program, designed to establish new young well trained promising investigators and a smaller number of experienced high quality medical scientists, has flourished. An Establishment Grant, fashioned to ensure early productivity and increase the scientists likelihood of success in competitions for operating grants, has assisted substantially in the recruitment of medical scientists to Alberta. Combined with support for the purchase and maintenance of major research equipment, these programs have resulted in a notable increase in medical research generally and also, more specifically, in a number of important areas such as research in the neurosciences, molecular biology and genetics, the cardiovascular system, endocrinology, the structure and action of certain drugs, chemicals and antibiotics.

Seeking to facilitate the flow of new knowledge arising from medical research to Alberta's medical scientists and practitioners responsible for patient care, the Foundation has continued to support a limited number of conferences, workshops, visiting professorships and lecturers. Through the Universities, travel grants were provided to Alberta's medical scientists for visits to other centres and to present the results of their research. In today's fiscal constraint and escalating travel costs, these programs have been well received.

A number of important issues were addressed by the Foundation in 1981/82:

- the impact of unfavorable Alberta housing costs on the recruitment of medical scientists,
- the availability of adequate physical space for new medical research thrusts,
- the provision of financial support for support costs generated by newly funded medical research.

Alberta's higher housing costs have inhibited the recruitment of new personnel to Alberta. The Trustees of the Foundation agreed in principle to provide financial assistance for a limited number of medical scientists believed critical to the development of medical research and whose recruitment might be impossible in the absence of assistance.

The availability of adequate physical space for new major thrusts in medical research has been questioned by a number of observers. By collaborating closely with The University of Alberta and The University of Calgary, the Foundation has conducted an examination of this question. Space inventories were collected and reviewed. The Universities have continued to monitor the use of existing space. Funds have been provided to the Universities for renovations and completions improving the availability and adequacy of space for medical research. As new thrusts are identified by the Foundation's Scientific Advisory Council, requirements will be clarified allowing better determination of need.

New programs of medical research resulted in new support costs within the participating Universities. Following a study of information provided by the Universities and other agencies such as the National Institutes of Health of the United States and its publications, the Foundation established a formula providing 15% of the value of Scholarship/Establishment Grant Awards excluding equipment, 8% of the value of Studentship/Fellowship Awards and 5% of the value of Conference Grants. In addition, the Foundation provided funds for the renovation of space, secretarial support, equipment installation and established new programs permitting consideration of requests for support of new requirements in medical libraries, computer services, vivaria, technical workshops and recruitment.

On behalf of the Foundation, I wish to express sincere gratitude to the many members of Alberta's medical research community who contributed so willingly and ably to the Foundation's Review Panels; and to the many scientists from other parts of Canada and elsewhere who contributed to the quality of the Foundation's programs by acting as external peers in the review process and as site visitors. Alberta's renewed medical research enthusiasm and the quality of its research activity reflects the interest and commitment of these many medical scientists.

Finally, the Officers of the Foundation are deeply grateful to the Trustees for their constant encouragement and willingness to give of their time and experience in fashioning the policies and programs of the Alberta Heritage Foundation for Medical Research.

Objectives of the Foundation

The main objectives of the Foundation are to establish and support a balanced and long-term program of medical research in Alberta, aimed at the discovery of new knowledge and the application of that knowledge to improve health and health services.

In more specific terms, the Foundation's objectives are to:

(a) stimulate research in medical sciences,

(b) implement effective means of using in Alberta the scientific resources available in medical sciences,

(c) support medical research laboratories and related facilities in Alberta,

(d) promote co-operation in research in medical sciences in order to minimize duplication in, and promote concentration of, effort in that research, and

(e) encourage young Albertans to pursue careers in research in medical sciences.

In the achievement of these objectives, support goes not only to the basic medical and clinical sciences, including pharmacy and dentistry, but also to researchers in departments such as chemistry, zoology, genetics, microbiology and biomedical engineering.

Trustees and Officers

Trustees:

Eric A. Geddes, F.C.A., Edmonton
Chairman

Gordon Cummings Swann, D.D.S., Calgary
Vice-Chairman

William Daniel Dickie, Q.C., Calgary

Robert Robertson Francis, M.D., Edmonton

Myer Horowitz, Ed.D.,
President,
The University of Alberta

N. Patrick Lawrence, Q.C., Red Deer

Le Roy Harding le Riche, M.B., Ch.B.,
Registrar, College of Physicians
and Surgeons of Alberta

The Hon. Mr. Justice Michael Brien O'Byrne,
Court of Queen's Bench, Alberta

Norman Ernest Wagner, Ph.D., President,
The University of Calgary

Officers:

President **Lionel E. McLeod,** M.D., F.R.C.P.

Executive Director **John E. Bradley,** M.D.

Financial Officer **A.J. Nykolyn,** C.A.

Activities

In this its second year, the Foundation consolidated its administrative organization with the appointment of a principal officer — the President, and a Financial Officer, together with additional support staff ensuring proper management of the growth of the programs of the Foundation and the increasing numbers of applications submitted for consideration. All programs expanded significantly and new programs were added including the prestigious Heritage Career Medical Scientist Award, and programs providing for the funding of support costs associated with new medical research activity.

Replacing the interim ad hoc Scientific Advisory Committee, three program review panels were established to advise the Scientific Advisory Council on Grants and Awards; the Studentship/Fellowship Panel, the Major Equipment Panel, and the Scholarship/Establishment Grant Panel. Competitions were held in April, July, September and October of 1981 and in January and March of 1982.

The Trustees recognized and acknowledged the remarkable benefits gained from the work of the interim ad hoc Scientific Advisory Committee, chaired by Dr. Mamoru Watanabe of The University of Calgary. With their dedication, sound advice and action, the programs of the Foundation were implemented in expeditious fashion allowing an early response to the more immediate needs of the scientific community.

Regular monthly meetings of the Foundation continued. Thirteen meetings were held for the purpose of establishing policies and procedures, the passing of by-laws, the appointment of the Scientific Advisory Council and the consideration of the recommendations of its Panels.

The Trustees appointed 13 members to the Scientific Advisory Council. These members were drawn from the province of Alberta, other provinces of Canada, the United Kingdom and the United States. The duties of the Scientific Advisory Council are as follows:

(a) to review and advise the Foundation on applications for loans or grants;

(b) to review and advise the Foundation on research projects that may be funded by the Foundation;

(c) to advise the Foundation on the publication, production and distribution of books, pamphlets, films or other productions by the Foundation;

(d) to review and advise the Foundation on the funding of research professorships or chairs at universities in Alberta;

(e) to nominate persons for membership in an International Board of Review who shall review the operation of the Foundation and make recommendations.

Members of the Scientific Advisory Council are as follows:

Dr. Lionel E. McLeod, President, Alberta Heritage Foundation for Medical Research, Chairman

Dr. John S. Colter, Professor and Chairman, Department of Biochemistry, Faculty of Medicine, The University of Alberta, Edmonton, Alberta

Professor Sir Alastair R. Currie, Professor of Pathology, Edinburgh University, and Pathologist – Royal Infirmary of Edinburgh, Edinburgh, Scotland

Dr. George I. Drummond, Killam Professor of Biochemistry, Departments of Chemistry and Medical Biochemistry, Faculties of Science and Medicine, The University of Calgary, Calgary, Alberta

Dr. David M. Kipnis, Busch Professor of Medicine, Chairman, Department of Medicine, Washington University School of Medicine, St. Louis, Missouri

Dr. James V. Maloney, Jr, Department of Surgery, University of California, Center for Health Sciences, Los Angeles, California

Dr. Joseph B. Martin, Bullard Professor of Neurology, Harvard Medical School and Chief of Neurological Services, Massachusetts General Hospital, Boston, Massachusetts

Scholarship Awards

Alberta Heritage Medical Research Scholarships have been established to support investigators who have completed training in research and demonstrate evidence of ability to initiate and conduct independent research in the medical sciences.

An Establishment Grant is provided to enable the investigator to achieve maximal research productivity as quickly as possible. The applicant seeks further operating funds from the traditional granting agencies, both governmental and voluntary through competition.

The program is an initial thrust by the Foundation to enhance the scientific communities in Calgary and Edmonton and to provide an opportunity for these Scholars to become productive — a situation that was very limited prior to the establishment and funding of the Heritage Medical Research Foundation.

In addition to Awards made to some 390 students and post doctoral fellows, twenty-six medical scientists were funded and firmly established in the province of Alberta by the end of the fiscal year. The following list provides for each Heritage Scholar's name, major degree held and the name of the granting institution along with the Scholar's Alberta department, faculty and university. The listing also provides the formal title of each Scholar's research project. The projects fall into diverse fields of medical research and include metabolism, genetics, general molecular biology, endocrinology, the neurosciences, allergy and immunology, the actions of drugs and chemicals, the technology of imaging human tissues and infectious diseases. The research ranges from truly fundamental curiosity-based medical research to projects dealing directly with the diagnosis, management and prevention of disease.

Michael Bentley, Ph.D.
Department of Biological Sciences
Faculty of Science
The University of Calgary
82/01/01

Molybdo-enzymes in the Drosophila Model System

Fred Biddle, Ph.D.
Department of Paediatrics
Faculty of Medicine
The University of Calgary
81/09/01

Genetic Studies of Development in the Mouse

Donald Boisvert, M.D., Ph.D.
Department of Surgery
Faculty of Medicine
The University of Alberta
81/01/01

Pathophysiology and Therapy of Impaired Brain Blood Flow

John Burka, Ph.D. Department of Pharmacology Faculty of Medicine The University of Alberta 81/08/01	The Role of Arachidonic Acid Metabolites in Allergic Bronchoconstriction
Thomas Carne, Ph.D. Department of Chemistry Faculty of Science The University of Calgary 81/09/01	Biosynthesis of Pituitary Hormones
Penelope Codding, Ph.D. Department of Chemistry Faculty of Science The University of Calgary 81/07/01	Molecular Structure/Function Studies of CNS Active Drugs and Toxins
Terry Danielson, Ph.D. Faculty of Pharmacy and Pharmaceutical Sciences The University of Alberta 81/07/01	Matabolism and Plasma Levels of Clinical MAOIs
Thomas Hangartner, Ph.D. Department of Applied Sciences in Medicine Faculty of Medicine The University of Alberta 81/01/01	Dual Rotation Computed Tomography System for Bone and Soft Tissue Density
David Hanley, M.D. Department of Medicine Faculty of Medicine The University of Calgary 81/04/01	Parathormone Secretion
Philip Hicks, Ph.D. Department of Anatomy Faculty of Medicine The University of Calgary 81/09/01	Identification of Synaptic Transmitters and the Mechanisms of Input-Output Processing in Sensory Nuclei

Ole Hindsgaul, Ph.D. Department of Chemistry Faculty of Science The University of Alberta 81/10/01	Biological Recognition of Complex Carbohydrates
David Hoar, Ph.D. Department of Biochemistry Faculty of Medicine The University of Calgary 81/09/01	DNA Sequence Diversity in Man
Kostas Iatrou, Ph.D. Department of Biochemistry Faculty of Medicine The University of Calgary 81/07/01	Expression, Organization and Evolution, Eukaryotic Multigene Families
Susan Jensen, Ph.D. Department of Microbiology Faculty of Science The University of Alberta 81/08/01	Biosynthesis of Novel G-lactam Antibiotics
Patrick Lee, Ph.D. Department of Microbiology Faculty of Medicine The University of Calgary 81/07/01	Replication and Assembly of Reovirus
David Matheson, M.D. Department of Paediatrics Faculty of Medicine The University of Calgary 81/07/01	Alterations in Immune Regulation and cell mediated immunity induced by various forms of interferon
Rodman Miller, Ph.D. Department of Anatomy Faculty of Medicine The University of Calgary 81/10/01	Freeze fracture localization of Antigens and Cholesterol

Douglas McFadden, Ph.D. Department of Biochemistry Faculty of Medicine The University of Alberta 81/01/01	The Molecular Biology of Tumorigenesis by Shope Fibroma Virus
Jerome Rattner, Ph.D. Department of Anatomy Faculty of Medicine The University of Calgary 81/10/01	High-order Structure of Chromosomes
Linda Reha-Krantz, Ph.D. Department of Genetics Faculty of Science The University of Alberta 81/01/01	Studies on the Biochemical Basis of Spontaneous Mutation
Otto Rorstad, M.D., Ph.D. Department of Medicine Faculty of Medicine The University of Calgary 81/07/01	Selectivity of Action of Tissue Somatostatin
David Severson, Ph.D. Department of Pharmacology Faculty of Medicine The University of Calgary 81/09/01	Regulation of Lipid Metabolism
Peter Smith, Ph.D. Department of Pharmacology Faculty of Medicine The University of Alberta 81/07/01	Electrophysiological Studies of the Electrogenic Sodium Pump in Sympathetic Ganglia and Spinal Cord
Diane Taylor, Ph.D. Department of Medical Bacteriology Faculty of Medicine The University of Alberta 81/07/01	Characterization of Bacterial Plasmids

Jonathan Tyler, Ph.D. Department of Genetics Faculty of Science The University of Alberta 81/08/01	Stucture and Function of Biological Membranes
Wanda Wenman, M.D. Department of Paediatrics Faculty of Medicine The University of Alberta 81/07/01	Pathogenesis of Chlamydia Trachomatics Infections

Summary of Transactions for Awards and Grants

STATISTICAL REPORT - GRANTS and AWARDS

From April 1, 1981 to March 31, 1982

AWARD CATEGORY	Number of Applications		Approved		Implemented	
	80-81	81-82	80-81	81-82	80-81	81-82
Studentship (full time)	127	177	86	106	85	96
(part time)	13	20	10	14	10	13
81/04 (summer 1981)	–	134	–	81	–	81
82/03 (summer 1982)	–	161	–	111	–	103
Fellowship (full time)	77	178	53	120	49	91
(part time)	3	9	3	8	3	6
Independent Research Allowances						
Studentship	49	9	45	9	44	9
Fellowship	36	7	30	6	29	6
Scholarship/Establishment Grants	18	44	8	29	7	19
Independent Establishment Grants	17	19	8	9	8	9
Major Equipment & Maintenance Grants	160	131	116	89	116	89
Conference Grants	22	21	15	17	14	15
Visiting Professorships	1	39	1	28	1	26
Visiting Scientist Awards	17	21	9	9	9	8

Financial Statements

March 31, 1982

Alberta Heritage Foundation for Medical Research

Financial Statements

March 31, 1981

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Alberta Heritage Foundation for Medical Research

Auditor's Report

To the Trustees of the Alberta Heritage Foundation for Medical Research

I have examined the balance sheet of the Alberta Heritage Foundation for Medical Research as at March 31, 1982 and the statements of revenue and expenditure, revenue surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

C.A.
Auditor General

Edmonton, Alberta
September 8, 1982

Alberta Heritage Foundation for Medical Research

Balance Sheet

As at March 31, 1982 — **Statement A**

	1982	1981
Assets		
Deposits in trust (Note 3)	$1,783,750	$ 780,445
Accounts receivable (Note 4)	967,823	230,321
Accrued interest receivable	360,876	120,930
Deposits on purchase of fixed assets	913	3,350
Prepaid expenses	1,772	–
	3,115,134	1,135,046
Fixed assets, at cost less accumulated depreciation and amortization	264,099	171,076
	$3,379,233	$1,306,122
Liabilities and Surplus		
Accounts payable	$ 521,257	$ 394,271
Revenue surplus, Statement C	2,857,976	911,851
	$3,379,233	1,306,122

The accompanying notes are part of these financial statements.

Statement of Revenue and Expenditure

For the year ended March 31, 1982 — Statement B

	1982	1981
Revenue		
Transfers from the Alberta Heritage Foundation for Medical Research Endowment Fund	$15,000,000	$6,500,000
Interest	1,063,854	210,549
	16,063,854	6,710,549
Expenditure		
Scientific affairs:		
Scholarship and establishment grants	3,443,820	–
Fellowship grants and research allowances	2,315,932	543,121
Studentship grants and research allowances	2,083,177	631,107
Independent establishment grants	1,526,338	–
Research support costs	1,001,803	–
Major equipment and maintenance grants	910,981	3,339,079
Institutional grants	817,275	–
Visiting scientist grants	371,616	137,322
Travel grants to universities	161,667	4,257
Visiting lecturer grants to universities	152,114	50,805
Conference support	111,548	46,154
Recruitment and planning grants to universities	106,233	170,000
Independent research allowances	65,705	229,096
Visiting professor honoraria and travel grants	38,730	6,190
Research professor-in-residence	20,176	–
	13,127,115	5,157,131
Administration expenses, Schedule I	784,889	372,845
Scientific Advisory Committee expenses	172,354	133,657
Trustee expenses	110,823	124,589
	14,195,181	5,788,222
Operating surplus for the year	$ 1,868,673	$ 922,327

Statement of Revenue Surplus

For the year ended March 31, 1982 — **Statement C**

	1982	1981
Revenue surplus at beginning of year	$ 911,851	$ –
Operating surplus for the year, Statement B	1,868,673	922,327
Refund of prior year's major equipment grants (Note 5)	245,075	–
Research support costs applicable to prior year (Note 6)	(167,623)	–
Pre-incorporation administration expenses	–	(10,476)
Revenue surplus at end of year	$2,857,976	$911,851

Statement of Changes in Financial Position

For the year ended March 31, 1982 — **Statement D**

	1982	1981
Funds were provided from:		
Operations	$1,868,673	$ 922,327
Depreciation and amortization	44,245	28,967
Refund of prior year's major equipment grants	245,075	–
	2,157,993	951,294
Funds were applied to:		
Purchase of fixed assets	137,268	200,043
Research support costs applicable to prior year	167,623	–
Pre-incorporation administration expenses	–	10,476
	304,891	210,519
Increase in working capital	1,853,102	740,775
Working capital at beginning of year	740,775	–
Working capital at end of year	$2,593,877	$ 740,775
Working capital is represented by:		
Current assets, Statement A	$3,115,134	$1,135,046
Less: current liabilities, Statement A	521,257	394,271
	$2,593,877	$ 740,775

Notes to the Financial Statements

March 31, 1982

Note 1 **Authority**

The Alberta Heritage Foundation for Medical Research operates under the authority of the Alberta Heritage Foundation for Medical Research Act, Chapter A-26, Revised Statutes of Alberta 1980.

Note 2 **Significant Accounting Policies and Reporting Practices**

(a) Transfers from the Alberta Heritage Foundation for Medical Research Endowment Fund:
Section 8 of the Act provides for the transfer of earnings from a $300,000,000 Endowment Fund to the Foundation. Accumulated earnings in the Endowment Fund not transferred to the Foundation as at March 31, 1982 amounted to $67,582,424.

(b) Depreciation and Amortization:
Furniture and equipment is depreciated on a straight line basis at the rate of 10% per annum to a maximum of 90% of cost. Leasehold improvements are amortized on a straight line basis over the term of the lease.

Note 3 **Deposits in Trust**

Deposits in trust consist of deposits in the Consolidated Cash Investment Trust Fund of the Province of Alberta.

Note 4 **Accounts Receivable**

Accounts receivable consist of the following:

	1982	1981
Unexpended grants held by universities:		
Equipment	$592,020	$ –
Travel	230,075	95,743
Visiting lecturer	97,886	–
Recruitment and planning	23,766	130,000
Miscellaneous	24,076	4,578
	$967,823	$230,321

Note 5 **Refund of Prior Year's Major Equipment Grants**

During the year ended March 31, 1982 agreements were reached with the University of Alberta and the University of Calgary for refunds of unexpended portions of the presidential discretionary trust funds held by the universities to support major equipment grants. Refunds totalling $245,075 relating to grants of the previous fiscal year have been shown as an adjustment to revenue surplus on Statement C.

Note 6 **Research Support Costs Applicable to Prior Year**

During the year ended March 31, 1982 payments totalling $167,623 were made to the University of Alberta and the University of Calgary for costs relating to the awards and grants programs of the Foundation for the year ended March 31, 1981. This amount had not been established at the time the financial statements to March 31, 1981 were issued and is accordingly shown as an adjustment to revenue surplus on Statement C.

Notes to the Financial Statements

March 31, 1982

Note 7 **Commitments**

As at March 31, 1982 the Foundation had committed the following amounts for scientific affairs expenditure:

Scholarship and establishment grants	$2,466,289
Major equipment and maintenance grants	2,444,961
Fellowship grants and research allowances	1,325,245
Independent establishment grants	717,197
Studentship grants and research allowances	650,333
Conference support	105,730
Institutional grants	91,180
Visiting scientist grants	79,341
Visiting professor honoraria and travel grants	2,000
	$7,882,276

Note 8 **Comparative Figures**

The 1981 figures have been restated where necessary to conform to 1982 presentation.

Note 9 **Approval of Financial Statements**

These financial statements were approved by management on September 8, 1982.

Alberta Heritage Foundation for Medical Research

Schedule of Administration Expenses

For the year ended March 31, 1982 Schedule 1

	1982	1981
Salaries	$331,383	$118,100
Rental of premises	89,292	68,659
Consultants fees	88,969	65,346
Depreciation and amortization	44,245	28,967
Recruitment	39,805	5,150
Stationery, printing and office supplies	39,368	20,586
Travelling and accommodation	35,046	6,472
Employee benefits	31,476	4,375
Public relations and advertising	23,230	10,749
Vehicle	16,298	11,069
Telephone	7,468	6,061
Purchased services	6,962	–
Equipment rental	6,452	3,513
Insurance	5,700	1,425
Maintenance	5,166	2,124
Accounting and legal fees	5,138	16,608
Postage and courier	2,962	2,389
Miscellaneous	5,929	1,252
	$784,889	$372,845

Summary

During the second year of the operation of the Alberta Heritage Foundation for Medical Research, the medical research community of Alberta has been significantly strengthened by the addition of new medical research scientists based within the universities of Alberta and Calgary. Students undertaking research training and postdoctoral Fellows furthering their research experience have been supported in increasing numbers at the major universities. This growth has resulted in both the strengthening of medical research and the emergence of new research thrusts in a number of important disciplines and research frontiers.

A Scientific Advisory Council was formally established advising the Foundation on its existing programs. Also, it has undertaken a study of future options for the purpose of assuring the emergence of a balanced and productive medical research thrust of excellent quality. The Foundation is deeply indebted to this distinguished group of medical scientists for their interest and willingness to assist in the achievement of the Foundation's objectives.

The Foundation looks forward to the further expansion of medical research generally and to the emergence of areas of enhanced excellence drawing international recognition for their contributions to the accumulation of new knowledge important to better understanding of health and disease.

POOR

QUALITY

ORIGINAL